

**State of Alaska**  
**FY2004 Governor's Operating Budget**

**Department of Community & Economic Development**  
**Executive Administration**  
**Budget Request Unit Budget Summary**

## Executive Administration Budget Request Unit

**Contact: Tom Lawson, Administrative Services Director**

**Tel:** (907) 465-2506 **Fax:** (907) 465-2563 **E-mail:** Tom\_Lawson@dced.state.ak.us

### BRU Mission

The mission of the Commissioner's Office is to effectively manage the department and to serve as a liaison between the department and private, governmental, and other institutions and agencies.

The mission of the Division of Administrative Services is to provide support services to departmental programs.

### BRU Services Provided

The Commissioner's Office provides leadership, sets department priorities and policy, and is the Governor's direct liaison to the department.

The Division of Administrative Services facilitates and ensures the delivery of the services provided by the Department of Community and Economic Development by giving efficient and cost-effective business management support in the areas of financial services, information technology, procurement and supply, and human resources.

### BRU Goals and Strategies

See components.

### Key BRU Issues for FY2003 – 2004

See components.

### Major BRU Accomplishments in 2002

See components.

### Key Performance Measures for FY2004

**Measure:**

**The percentage of divisions that meet assigned performance measures.**

Sec 22(b)(1) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

There are seven divisions, the Commissioner's Office, and six agencies within DCED. In HB 515, the mission and measures bill for FY03, DCED has 59 measures; five are new and fifteen are revised from FY02. Four FY02 measures were deleted. Generally, the divisions accomplished their measures in FY02 and are on track to accomplish the FY03 measures.

Target: 100% of divisions and agencies to meet assigned performance measures.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

Measures need to include targets so it will be apparent whether the measure has been accomplished. Many of the previous measures simply required reporting data.

**Measure:**

**The percentage of divisions that require an unanticipated supplemental budget increase.**

Sec 22(b)(2) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

This is a new measure added by the legislature in 2002. There were no unanticipated supplemental budget increases for the department in FY02.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to have no unanticipated supplemental budget increases.

**Measure:**

**The average time taken to respond to complaints and questions that have been elevated to the commissioner's office.**

Sec 22(b)(3) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Generally, questions and complaints received by phone are responded to immediately. Often though, a followup response is necessary. In these situations, the followup response generally occurs within two to three business days. Regarding written questions or complaints, the average response time is ten business days.

Target: ten working days to respond to written complaints that are elevated to the commissioner's office.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

A tracking system is established to log in all commissioner's office correspondence, including complaints. The tracking system records the date received, to whom the response was assigned, and when the response was sent.

**Measure:**

**The percentage of late vendor payments.**

Sec 23(b)(1) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

In FY02, vendors received approximately \$21 million in payments from the department's operating budget. \$4,000 in interest and penalties were paid from operating and capital budget appropriations. Of that amount, \$1,900 was to Alaska Seafood Marketing Institute's vendors, \$1,800 for Alaska Energy Authority's vendors, and \$300 was for the remainder of DCED agencies. There were 22 vendors who received late payments.

FY01 interest and penalties of \$2,200 compared to FY02 interest and penalties of \$4,000 reflects a 82% increase. The number of vendors who received late payments in FY01 is not available.

Target: immaterial number and amount of late penalties or interest charges.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to pay vendors promptly and accurately to avoid late penalties.

**Measure:**

**The percentage of change when compared to the prior fiscal year in number of audit exceptions.**

Sec 23(b)(2) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

There was zero percent change from FY00 to FY01 in the number of audit exceptions. As in FY00, there were three audit exceptions again in FY01. One was related to the FY97 Bristol Bay fishing disaster established under the Department of Community and Regional Affairs. The other two audit exceptions have been rectified. The FY02 audit has not been completed.

Target: no audit exceptions.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to manage the department's finances efficiently and effectively to avoid audit exceptions.

**Measure:**

**The percentage of change when compared to the prior fiscal year in the number of procurement protests.**

Sec 23(b)(3) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

In FY02 there were three new procurement protests – two for contracts awarded by the Division of Administrative Services and one for the Alaska Industrial Development and Export Authority (AIDEA). Both protests for DAS were appealed – one appealed to DOA and one to DOT/PF. The appeal to DOA was remanded back to the Department for disposition. Ultimately, the Department upheld its denial of the protest. The appeal to DOT/PF was delegated to DOA for resolution. DOA upheld the Procurement Officer's denial of the original protest on appeal. For AIDEA, the Procurement Officer denied the protest and no appeal was received.

In FY01 there was one new procurement protest regarding a professional services contract awarded by the Alaska Industrial Development and Export Authority. AIDEA's decision is currently being appealed to DOA.

In FY00 there were 4 protests and of the 4, 2 were denied with denial upheld, 1 to appeal with a settlement and 1 appeal granted in part.

While there was a 200% increase in the number of protests received in FY02 in comparison to FY01, all FY02 protests were denied, not all were appealed, and no protest decisions were overturned on appeal.

Target: no sustainable procurement protests.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to ensure proper training of procurement staff and maintain compliance with procurement statutes, regulations, and policy guidelines to limit or eliminate sustainable procurement protests.

**Measure:**

**The percentage of change when compared to the prior fiscal year in the number of departmental employee grievances compared to the number of grievances in all departments.**

Sec 23(b)(4) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

There were no grievances filed in DCED in FY02 and none have been filed to date in FY03. DCED was the only department in FY02 to have no grievances filed or pending. There were no grievances filed in DCED in FY01, so the percentage of change is zero between FY01 and FY02. In FY00, 8 grievances were filed in DCED, ranking DCED

with 2 other departments as having the lowest number of grievances filed.

Target: fewer grievances than any other department.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to provide exceptional human resources services to department employees and managers to effectively eliminate grievances filed by union employees in the department.

**Measure:**

**The percentage of change when compared to the prior fiscal year in the number of grievances advanced to and sustained in arbitration.**

Sec 23(b)(5) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

There were no grievances advanced to and sustained in arbitration in FY02, FY01 or FY00. None have occurred to date in FY03, so the percentage of change is zero.

Target: no grievances sustained.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to provide exceptional human resources services to department employees and managers to effectively eliminate grievances by union employees in the department advanced to and sustained in arbitration.

**Measure:**

**The percentage of change when compared to the prior fiscal year in the number of late reimbursement payments to employees.**

Sec 23(b)(6) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

This is a new measure added by the legislature in 2002. As such, the division has no data from previous years. The Alaska Administrative Manual requires that state employees be reimbursed for travel within 10 business days from submission of a properly completed travel authorization (AAM 60.280). A random sample of travel reimbursements made to 50 department employees (507 total DCED employees) in September and October 2002 indicated reimbursements average 5 business days.

Target: make reimbursement payments to employees within 10 business days.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The Division of Administrative Services does not track this information. To do so would be incredibly time-consuming and would most likely slow down the processing of travel reimbursements to departmental employees. The division is not aware of any complaints regarding late payments. In fact, employees are often complimentary of the speed of reimbursement. The division recommends that this measure be deleted.

**Executive Administration  
BRU Financial Summary by Component**

*All dollars in thousands*

	FY2002 Actuals				FY2003 Authorized				FY2004 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b><u>Formula Expenditures</u></b>	None.											
<b><u>Non-Formula Expenditures</u></b>												
Commissioner's Office	262.5	0.0	413.7	676.2	0.0	0.0	0.0	0.0	101.1	0.0	470.6	571.7
Administrative Services	1,269.6	0.0	908.5	2,178.1	1,017.6	0.0	1,318.5	2,336.1	1,018.0	0.0	1,374.1	2,392.1
<b>Totals</b>	<b>1,532.1</b>	<b>0.0</b>	<b>1,322.2</b>	<b>2,854.3</b>	<b>1,017.6</b>	<b>0.0</b>	<b>1,318.5</b>	<b>2,336.1</b>	<b>1,119.1</b>	<b>0.0</b>	<b>1,844.7</b>	<b>2,963.8</b>

## Executive Administration

## Proposed Changes in Levels of Service for FY2004

No service changes.

## Executive Administration

## Summary of BRU Budget Changes by Component

## From FY2003 Authorized to FY2004 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>1,017.6</b>	<b>0.0</b>	<b>1,318.5</b>	<b>2,336.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Commissioner's Office	0.7	0.0	3.4	4.1
-Administrative Services	0.4	0.0	9.0	9.4
<b>Proposed budget increases:</b>				
-Administrative Services	0.0	0.0	46.6	46.6
<b>FY2004 Governor</b>	<b>1,119.1</b>	<b>0.0</b>	<b>1,844.7</b>	<b>2,963.8</b>